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Prosecution Of Mexican Is Expected

Official's CIA Tie
Delays U.S. Action
In Car-Theft Case

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WASHINGTON — The Justice Department is expected to approve prosecution of Mexico's former director of federal security on charges of participating in a massive car-theft ring in the United States, a high-ranking Reagan administration official said yesterday.

Prosecution of Miguel Nassar Haro, who until January had directed Mexico's Directorate of Federal Security, has been delayed by the Justice Department because Nassar also was a top source of information for the U.S. Central Intelligence Agency.

Although a formal decision on the prosecution of Nassar has not been made yet, the administration source said that high-level discussions indicate that approval to proceed with the case is expected.

Justice Department officials would only say yesterday that no decision has been made on the matter.

A well-informed CIA official said yesterday that his agency has made clear to the Justice Department that its concern over protecting Nassar's CIA role diminished greatly when Nassar was replaced as DFS chief.

"The CIA raised questions that we wanted the Justice Department to consider, but we always had said it

(the decision to prosecute) was their call," said the official, who requested anonymity.

"After Nassar lost his job, most of those concerns became moot," he added.

In a related development, Justice Department officials said yesterday that no decision has been made on whether to take disciplinary action against U.S. Attorney William Kennedy of San Diego for having confirmed to The San Diego Union the CIA's role in causing prosecution to be delayed.

A department spokesman described as "inaccurate" a New York Times report yesterday that Kennedy will keep his job and insisted that the matter has not been resolved.

After the San Diego Union story was published Friday, Associate Attorney General Rudolph Giuliani telephoned Kennedy and ordered him to Washington Monday to explain his actions to Giuliani and other top department officials.

Kennedy had two sessions with his superiors, then returned yesterday to San Diego where he could not be reached for comment. The department hopes to resolve this week the question of whether Kennedy breached department rules on public disclosure of pending cases, officials said.

One official suggested Kennedy would not be fired, adding: "There are many U.S. attorneys with letters of reprimand in their files."

As a presidential appointee, a U.S. attorney can be fired only by a president. However, an attorney general can request a resignation without White House involvement.

Nassar is understood to be in Mexico and unlikely to submit voluntarily to prosecution in the United States. However, the United States has an extradition treaty with Mexico that would permit Nassar to be

returned involuntarily for trial, a Justice Department official said.

Nassar, 52, was implicated by other suspects in a multimillion-dollar car-theft ring that smuggled into Mexico cars stolen in San Diego and Orange counties.

A San Diego federal grand jury returned 28 sealed indictments in the case last year. It is believed at least six more indictments, involving the car-theft ring, will be returned soon.

Kennedy's confirmation of Nassar's relationship with the CIA had raised questions concerning whether actions such as Kennedy's would be illegal under a pending bill in Congress that would protect the identity of agents, American or foreign, working for U.S. intelligence agencies.

An official of the Senate Intelligence Committee said yesterday that an action such as Kennedy's would not violate the proposed law "based on what is known about Nassar's job" as DFS chief.

The official said that as the official liaison officer between the DFS and American intelligence agencies, Nassar would not fit the definition of a "covert agent."